



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant : Dexter A. BURLEIGH et al.

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Title : INFORMATION MANAGEMENT SYSTEM

Art Unit : 2171

Examiner : H. B. Thai

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Commissioner for Patents
P.O. Box 1450
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DECLARATION OF JERRY C. PHILLIPS UNDER 35 USC § 1.131

- §1. My name is Jerry C. Phillips. Since 1991, I have been employed by Conoco Inc. and its successor company the ConocoPhillips Company. I've worked with over 300 business clients to interpret, document and implement complex business processes. My prior responsibilities included coordinating the development and implementation of an internally developed enterprise software system to integrate numerous complex processes and systems through out the upstream organization. In the past, I have provided coordination of the development team, business unit training and support, developed a system that supports domestic production and development operations. I was also responsible for the management of a software development team consisting of ten members.
- § 2 Prior to joining Conoco Inc., I was a consultant for Pinnacle Royalty and Operating Company, Vice President of Nugget Oil Company and Nugget Pipeline Corporation, an Independent Landman, and a Title Examiner.
- §3 I have a degree of B.B.A from the University of Texas at Austin. I graduated with honors in 1982.

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- §4 Part of my prior responsibilities at ConocoPhillips included coordination of data that meets a variety of functional needs. The data may come from and satisfy the functional needs of Geoscientists, Reservoir Engineers, Production Engineers, Facility Engineers, Regulatory Compliance Administrators, Drilling Engineers, Completion Engineers, Financial Analysts, Field Operators, Sales and Marketing Representatives, and Portfolio Managers.
- §3 While there may be some overlap between the various fields above, the field of education and the level of education to practice in the various disciplines is different. For example, the term "Geoscientist" generally encompasses Geophysicists and Geologists, who usually have at least a Master's degree in their disciplines (Geophysics and Geology) and may even have a Doctoral degree. Reservoir Engineers, Production Engineers and Completion Engineers commonly have a degree in Petroleum Engineering with specialization in one of those areas, while Drilling Engineers may have a degree in Mechanical Engineering. Financial analysts commonly have a BBA and may sometimes have an MBA degree.
- §4 Each of the groups has their own terminology ("jargon") which means that they do not communicate well with each other. They may sometimes refer to the same item using different words. More importantly,
- §5 I have reviewed US Patent 5,475,589 to *Armitage*. The invention generally deals with evaluation of an exploration prospect from the limited perspective of a

Geoscientist. This is what is stated at col. 6 lines 18-29 in the "Summary of the Invention."

§6 Further review of the patent shows the following general parts:

Part 1. Seismic Time data (col. 8 line 45-col. 17 line 10) has the following subsections:

Initial processing col. 9 line 35 – col. 11 line 67 is related exclusively to work done by a Geophysicist, with the assistance of a geoscience technician.

Plan for Migrating col. 12 line 1 – col 12 line 32 is also related exclusively to work done by a Geophysicist, with the assistance of a geoscience technician.

Sequence Boundary Ties col. 12 line 33 – col. 13 line 11 is also related exclusively to work done by a Geophysicist, with the assistance of a geoscience technician.

Sequence Time Boundary Interpretation col. 13 line 13 – col. 14 line 17 is also related exclusively to work done by Geophysicist, with the assistance of a geoscience technician.

Sequence Normalized "Apparent" Velocity Interpretation col. 14 line 18 – col. 17 line 12 is also related exclusively to work done by a Geophysicist, with the assistance of a geoscience technician.

Part 2 Seismic Depth Data col. 17 line 11 – col. 27 line 17 is work that is done by Geophysicists and, to a lesser extent, Geologists.

Part 3 Seismic Lithology/Property Data col. 27 line 20 – col. 30 line 11 is work that is done by Geophysicists and Geologists. The latter may be more likely in the trap analysis described therein.

Part 4 Hydrocarbon Resource Project Economics col. 30 line 12 – col. 33 line 48

is also performed by geophysicists and geologists with some mathematical knowledge. The definition of the range of uncertainties in the various measured seismic attributes is done by a geophysicist while a geologist is best suited for defining uncertainties in the geological parameter such as age history, post process tectonics, source rock maturity is the domain of the geologist. Beyond that, it is a straightforward application of standard statistical methods.

§7 To summarize, the end output of *Armitage* is the output of Geoscientists and is but one part of the data that comprises a hydrocarbon portfolio. Simply knowing the amount of hydrocarbons in place is helpful, but not dispositive in determining the value of a prospect. Input from other fields is needed. For example, the Reservoir Engineers and Production Engineers must provide their input on how much of the hydrocarbons can be recovered, and how this may be best done. The Drilling Engineer and the Completion Engineer are most knowledgeable about possible drilling hazards and how to deal with them. The input of a regulatory compliance administrator would have input on federal and state regulations that may dictate how a reservoir may be developed, if at all: the total ban on drilling in the Gulf of Mexico off the coast of Florida being an example of a total ban. The financial analysts are best equipped to address the issue of sales price of the product based on future market needs, discount rates likely to occur in the future, and political issues such as the actions of OPEC.

§8 I declare that all statements made herein of my own knowledge are true; and further that these statements were made with the knowledge that willful false

statements and the like so made are punishable by fine or imprisonment or both under 18 USC § 1001, and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Respectfully submitted

A handwritten signature in cursive script, reading "Jerry C. Phillips", written over a horizontal line.

Jerry C. Phillips

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